

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

ELECTRONIC SOUTHERN WATER &)	
SEWER DISTRICT’S METER)	CASE NO.
REPLACEMENT SURCHARGE)	2020-121
MONITORING)	

MSTER METER TIMELINE & CONSTRUCTION PLAN

BACKGROUND

As the PSC should be aware, Southern Water and Sewer District (“Southern”) has suffered from a long history of high unaccounted for water loss. Reducing this high rate of unaccounted for water loss is one of, if not, the most important goals for Southern. Southern intends on using a two-prong approach to address the significant unaccounted for water loss: First, the installation of new Automatic Meter Reading (“AMR”) meters to replace Southern’s aged and malfunctioning water meters; and second, by purchasing and installing master meters in discrete zones. Recently, Southern has successfully completed the first prong of this strategy, replacing their outdated meters with more advanced technology, AMR meters. Southern places great emphasis on reducing unaccounted for water loss because reducing this rate would greatly improve the financial condition of the District.

Master meters enable water utilities to address unaccounted-for water loss by providing the utility with accurate information, including but not limited to the final destination of the water produced and/purchased. Southern intends on dividing the water system into smaller sub-systems or zones. Each of these sub-systems or zones will be served by one specific master meter. These master meter zones enable the utility to identify leaking infrastructure with specificity using real time data to determine any imbalance of the water flow into a discrete zone measured by one zone master meter and water consumption measured by the new AMR customer meters in said zone. These master meters can also assist utilities by providing instantaneous measures of water flow. Southern intends on reducing unaccounted for water loss by correcting problems to their infrastructure. Southern will use the information gleaned from master meters and their new AMR meters to identify infrastructure problems. Once it is

determined where the problem with infrastructure or leak is located, Southern can attempt to address said problem in order to reduce unaccounted for water loss.

PROJECT TIMELINE

The estimated time to complete this master meter project is approximately one year. Southern intends on starting this project in the late summer/fall of 2021 as funding, time, and work-load of employees allow. In order to reduce the overall expense of this project, Southern will install the master meters in-house. Southern predicts that it will be able to install one master meter per month. Thus, if all goes to plan, Southern will complete their master meter project by late summer of 2022.

CONSTRUCTION PLAN

Pursuant to the Public Service Commission's March 17, 2021 Order in Case No. 2020-121, Southern intends on purchasing and installing 10 master meters.¹ Prior to the purchase of the master meters, Southern will solicit bids from at least three different master meter vendors. The Board of Southern will determine the best master meter to incorporate into their system based upon the specifications of said meters contained in the bids. Southern predicts that this selection process will be completed by late summer of 2021.

As mentioned previously, Southern will not incur additional labor expenses related to the installation of the ten master meters due to the fact that Southern will install these meters with their own employees. Southern predicts that it will be capable of installing one master meter per month. Southern intends on purchasing each master meter as they are needed if the vendor is capable of providing this option.

As the PSC is aware, the funding source for this project will be the same as the funding source approved for Southern's recent AMR water meter project. Southern intends on financing this master meter project with the proceeds of the \$5.25 surcharge. Southern predicts that the total cost of this project will be the purchase price of the master meters and related parts and materials, which Southern estimates as around \$118,031.89.

Southern has completed the majority of the plans for this master meter project. Attached to this filing is a detailed breakdown of the parts required to complete this project along with a rough estimate of the costs associated with these materials. Additionally, Southern has provided a map representing the locations of the proposed master meter. (See attached). Although Southern has priced the parts and materials required for this project, some of the prices may have changed since receiving said quotes.

ⁱ “Electronic Southern Water & Sewer District Meter Replacement Surcharge Monitoring.” 2020-121 Order dated 3/17/21.